

Message Text

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ORIGIN OPIC-06

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FM SECSTATE WASHDC
TO AMEMBASSY DACCA PRIORITY

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FROM OPIC

E.O. 11652: N/A

TAGS: EINV

SUBJECT: BELBAGCO

1. ON SEPTEMBER 13, 1978, U.S. LEGAL COUNSEL TO BELBAGCO
REPORTED TO OPIC THAT THE BDG HAD SOLD THE BANFAB
PROJECT ON THE FOLLOWING TERMS:

(A) THE BUYER WAS A MR. AWAL, OF UNKNOWN NATIONALITY;

(B) THE PURCHASE PRICE WAS TAKAS 25,400,000 REPORTEDLY
THE EQUIVALENT OF USD 1.2 MILLION PLUS AN ASSUMPTION OF
BANFAB DEBT, PRIMARILY THE COOLEY LOAN, FOR A TOTAL OF
ABOUT USD 2 MILLION, INCLUDING ABOUT USD 800,000 OF DEBT;
AND

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(C) AWAL HAS 20 DAYS FROM AN UNKNOWN DATE TO PAY THE
FIRST INSTALLMENT OF AN AMOUNT ABOUT EQUAL TO USD 350,000,
AND WILL HAVE A PERIOD OF ABOUT THREE YEARS TO PAY FURTHER
ANNUAL INSTALLMENTS OF ABOUT USD 350,000 EACH.

2. BELBAGCO LEGAL COUNSEL REPORTED THAT THIS INFORMATION
CAME FROM A VERY RELIABLE SOURCE, BEING A PERSON WHO WAS

INVOLVED IN THE PROJECT BEFORE BELBAGCO'S DEPARTURE, AND
WHOSE INFORMATION HAS BEEN RELIABLE IN THE PAST.

3. SUCH LEGAL COUNSEL ALSO REPORTED THAT THE NEW BDG
AMBASSADOR TO THE USA HAD PROBED SUCH RELIABLE SOURCE FOR
INFORMATION ABOUT THE TOTAL AMOUNT OPIC HAD PAID TO SETTLE
ITS POLITICAL RISK INSURANCE CLAIM WITH BELBAGCO, STATING
THAT SUCH PERSON DID NOT DISCLOSE THE AMOUNT PAID.
(AGAIN, OPIC HAS NOT MADE COMPLETE SETTLEMENT WITH
BELBAGCO BECAUSE OPIC WOULD BE REQUIRED TO MAKE A
FURTHER PAYMENT TO BELBAGCO IF THE USG-BDG SETTLEMENT
EXCEEDS A CERTAIN AMOUNT--WHICH IS MORE THAN THE USD
620,000 WE ARE NOW DISCUSSING.)

4. IT SEEMS TO US THAT THIS REPORTED SALE MIGHT BE VERY
EFFECTIVELY USED BY EMBASSY IN FURTHER DISCUSSIONS WITH
BDG RE SETTLEMENT. HOWEVER, OF COURSE, THIS INFORMATION
WAS OBTAINED FROM AN UNIDENTIFIED "RELIABLE SOURCE", WHO
MAY OR MAY NOT HAVE COMPLETE POSSESSION OF THE FACTS.

5. WE ARE INTERESTED WHAT TRUTH THERE IS TO SUCH SALE
AND, IF TRUE, WHAT POSTURE YOU ADVISE FOR FUTURE USG
NEGOTIATIONS OF BELBAGCO CLAIM WITH BDG. CHRISTOPHER

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Message Attributes

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Draft Date: 13 sep 1978
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Disposition Approved on Date:
Disposition Case Number: n/a
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TAGS: EINV, BELBAGCO CO
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